

NAFMII News

NAFMII formulate "General Terminology for China OTC Gold Derivatives (2013 Edition)"

In an effort to regulate OTC gold derivatives transactions, safeguard the legitimate rights and interests of market participants, promote healthy and orderly development of the OTC gold derivatives market, NAFMII organized market players and legal experts to formulate "General Terminology for China OTC Gold Derivatives (2013 Edition)" ("General Gold Terminology"). Adopted at the six plenary session of the third Governing Council, approved by and filed with the People's Bank of China, the General Gold Terminology is hereby published for market participants to use in OTC gold derivatives transactions.

[NAFMII News](#) (Currently Only Available in Chinese)

Latest NAFMII Data as of November 1, 2013

- 4,155 market participants had joined NAFMII membership, including 201 banking institutions like policy banks, commercial banks and credit unions; 196 non-bank financial institutions like securities, insurance and finance companies; 8 financial intermediaries; 713 intermediaries like rating agencies, accounting firms and law firms; 3026 enterprises; 1 institutions of other areas; and 10 individual members.
- A total of 689 institutions (including 544 non-financial institutions and 1 investment entity with non-legal person status) completed the filing procedures for the signing of 2,417 copies of the Master Agreement on Trading Financial Derivatives in China's Interbank Market (NAFMII Master Agreement); 241 market institutions signed 736 Master Agreement on Bond Repurchase Transactions; 54 market institutions signed the Master Agreement on Loan Transfer; 22 market institutions signed the Master Agreement (Warranty); 57 institutions registered for Forward Rate Agreement (FRA) qualification and 103 institutions registered for Interest Rate Swap (IRS) qualification; and there were 46 Credit Risk Mitigation (CRM) traders, 26 core traders and 30 CRMW creation institutions; 385 PPN private investors registration; 566 issuance plans for debt financing instruments.

Regulatory Developments

CSRC and CBRC jointly issue Guidelines on Capital Replenishment of Commercial Banks by issuing Corporate Bonds

CBRC and CSRC made a joint announcement and published "Guidelines on Capital Replenishment of Commercial Banks by issuing Corporate Bonds" (Guidelines), effective as of November 6, 2013. Under the Guidelines, three categories of banks, such as commercial banks listed on Shanghai or Shenzhen Stock Exchanges, domestic commercial banks issuing overseas listed foreign shares, and commercial banks under examination applying for domestic initial public offerings ("Commercial banks listed or to be listed"), are deemed as issuers that can replenish their capital through the bond market, should they meet conditions. In the selection of capital instruments, the Guidelines allow commercial banks to issue corporate bonds containing writedown provisions.

[CSRC News](#) (Currently Only Available in Chinese)

PBC issues "Notice of the People's Bank of China on Establishing a Verification Mechanism for Customer Reserve Fund of Payment Institutions"

PBC issues "Notice of the People's Bank of China on Establishing a Verification Mechanism for Customer Reserve Fund of Payment Institutions" (the Notice). The Notice requires payment institutions and reserve banks to verify customer reserve fund on a daily basis, so as to ensure accounts are consistent and match customers' businesses. This serves as an important measure for PBC to enhance payment institutions' depository business management of customer reserve fund and protect the financial interests of consumers.

[PBC News](#) (Currently Only Available in Chinese)

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